

# Exhibit R

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A-CAP

# A-CAP Strategy and Business Plan 2024

November 2024



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# Corrective Action Plan Update



# Steps Taken by A-CAP

- 1) Recaptured \$2.1 billion in 777 reserves as directed by the Order (effective 1/1/24)
- 2) Established replacement reinsurance of \$1.5 billion
  - Converge, switch to cash deal based on asset sales
  - Third party A- reinsurer, for Jazz APP product (up to \$500 million)
  - The replacement reinsurance was rejected by the Department and the Supervisor
  - The reinsurance would have provided \$100 million in capital to the insurance companies, and covered liability risk and asset risk (including the aviation book)
- 3) Severed the 777 relationship
  - Exercised lender rights and Inserted independent third-party manager (B. Riley) to control operations
  - B. Riley terminated Josh Wander and Steve Pasko
  - A-CAP can fully exercise rights to liquidate assets
- 4) As lender, took actions to protect assets and protect policyholders
  - Established control of over \$1.4 billion of aviation assets (Boeing jets and Flair airlines)
    - Approximately \$600 million of debt backed by the Boeing assets
    - Gained control of a Boeing Order book, with 60 planes (potential value in excess of \$400 million)
    - Stabilized flair airlines, established profitability (as measured by EBITDAR) and put the airline in a position to raise capital
  - Established control of \$1 billion of football assets
    - Exercised lenders rights and took full control over the football assets and associated local Boards.
    - In the process of removing the Everton Football risk (\$300 million)

## Steps Taken by A-CAP cont.

- 4) (continued from previous slide)
  - Took control and ownership of \$300 million of a mortgage securitization business
  - Senior Capital – Closed a securitization in September, next one in December
- 5) In compliance with the 10% affiliate rule on a consolidated basis. Next steps to re-balance (by company) and continue asset sales
- 6) Engaged Houlihan Lokey and obtained FMV valuations on \$1 billion in assets
  - An additional \$1 billion in process to be completed within 30 days
  - *Please See Asset Valuations slides*
- 7) Voluntarily reduced premium writings from \$375 million monthly to \$30 million
  - Prospectively sent a Premium Reduction Plan to the Supervisor
  - *Please See Premium Reduction Plan slides*
- 8) Capital
  - Realized \$400 million plus in the aviation book, would have discussions to move to insurance companies
  - In advanced discussion to sell ACL, for \$150 million in fresh capital (to be pledged to subordinate 777 assets)
  - Realized \$200 million plus in capital from the mortgage securitization business, would have discussions to move to the insurance companies
  - In discussions with strategic partners to raise an additional \$400 million of Capital

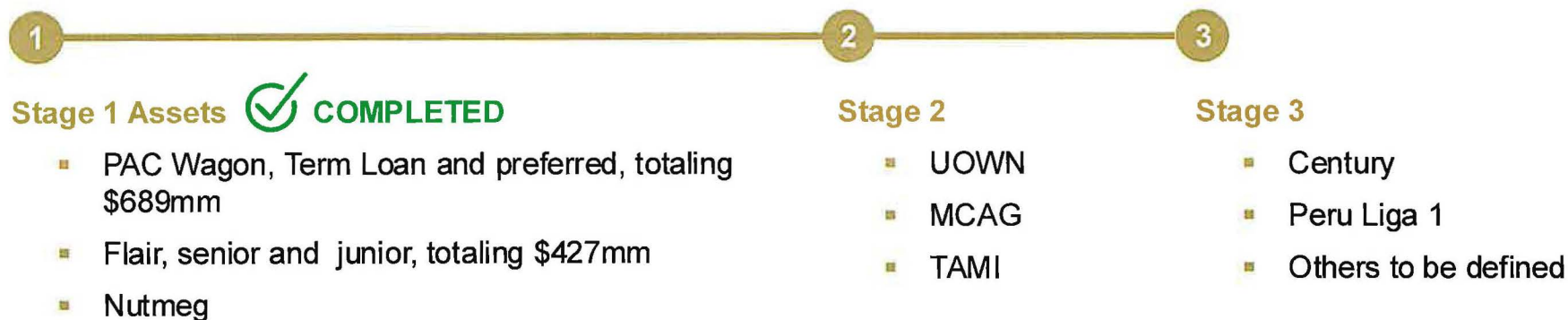


# Asset Valuations

# Fair Market Value, Stage 1, Stage 2, Stage 3 Assets

## Fair Market Value

- Per the April 10th Order, a condition of abatement is to engage an independent service provider to provide independent fair market valuations for Level 3 and some Level 2 investments;
- Accordingly, A-CAP engaged Houlihan Lokey's portfolio valuation and fund advisory practice and Dundon Advisers LLC to provide independent fair market valuations of such assets.
- PAC Wagon FMV – Done, Houlihan
- Flair FMV – Done, Dundon
- Nutmeg – Draft DONE, Dundon
- Uown – Draft expected 11/1, Dundon
- PAC Wagon – Draft 11/11, Dundon
- MCAG – Draft week of 11/4, Dundon
- TAMI – TBD, Dundon





# PAC & PAC Wagon – Houlihan Valuation Overview

## Houlihan Lokey Valuation Process

- Houlihan Lokey, a regulated U.S. Bank, was engaged to perform an independent analysis of the Phoenix Aviation Capital (“PAC”) business and the PAC Wagon loan securities.
- After receiving internal committee approval on its fee and engagement letter, Houlihan sent an initial due diligence information request to the Phoenix management team. This request included a company overview, financial models, 3<sup>rd</sup> party appraisal reports, and legal documents.
- Following Houlihan’s initial diligence on the business and asset, a discussion was held with management to walk through the Phoenix business plan, current forecasts, macro environment headwinds and tailwinds, and several other points to ensure Houlihan had a complete understanding of the business.
- Houlihan then performed their independent analysis without further inputs from the company.
- An initial draft of the valuation report was then shared with the Phoenix management team and a discussion with Houlihan was held to walk through their findings. Phoenix management was allowed to ask clarifying questions.
- The final step for Houlihan was to take the report to its internal valuation committee, made up of senior members at Houlihan, and explain, defend, and request approval to publish the final report.
- Lastly, Houlihan sent a final report to the company.
- In the case of the PAC Wagon security, as Houlihan provided a specific price that the asset should be held at for financial reporting, Houlihan provided an executed certification page stating that the report was done on an independent basis, with no personal bias, and followed the relevant accounting standards.
  - Specifically, Houlihan signed a rep letter that noted the valuation followed ASC 820.

# PAC – Liquidation of Assets Today

## Liquidation Waterfall - Today

| Asset  | Values (\$m) <sup>1</sup> |
|--|---------------------------|
| Flair - 737 MAX 8: MSN 61804                         | 60.67                     |
| Flair - 737 MAX 8: MSN 61807                         | 60.69                     |
| Flair - 737 MAX 8: MSN 61809                         | 61.44                     |
| Flair - 737 MAX 8: MSN 64942                         | 61.57                     |
| LOT - 737 MAX 8: MSN 43974                           | 64.17                     |
| LOT - 737 MAX 8: MSN 43975                           | 64.08                     |
| LOT - 737 MAX 8: MSN 62533                           | 64.85                     |
| LOT - 737 MAX 8: MSN 61864                           | 64.31                     |
| Eastar - 737 MAX 8: MSN 44304                        | 61.12                     |
| Eastar - 737 MAX 8: MSN 44305                        | 61.42                     |
| Eastar - 737 MAX 8: MSN 44308                        | 61.56                     |
| <b>Total Aircraft Asset Sale Proceeds</b>            | <b>685.89</b>             |
| <b>Cash PDP Deposits at Boeing</b>                   | <b>257.35</b>             |
| <b>Total Asset Proceeds</b>                          | <b>943.24</b>             |
| <b>EETC Debt</b>                                     | <b>(238.13)</b>           |
| <b>DDTL Debt</b>                                     | <b>(61.41)</b>            |
| <b>Ashland Place Debt</b>                            | <b>(65.00)</b>            |
| <b>Mercury Term Loan</b>                             | <b>(185.26)</b>           |
| <b>Total Debt</b>                                    | <b>(549.80)</b>           |
| <b>Total Proceeds to Preferred and Common Equity</b> | <b>393.44</b>             |
| <b>Total Proceeds Available to PAC Wagon</b>         | <b>578.70</b>             |
| <b>PAC Wagon Coverage</b>                            | <b>0.96x</b>              |

- As above below, in a forced liquidation of the Phoenix Aviation Capital business today with no premium earned, ~\$943mm of proceeds would be available to repay debt and equity holders.
- The liquidation would include a sale of 11 aircraft and the return of \$252m of PDP deposits on hand at Boeing.

## Houlihan Report – Market Participant Multiple

|  | Values (\$m)  |
|--|---------------|
| Assets   | 1,118.30      |
| Liabilities                                    | (611.40)      |
| Net Book Value / Total Shareholders Equity     | 506.90        |
| Net Book Value Multiple                        | 1.21x         |
| <b>Proceeds to Preferred and Common Equity</b> | <b>613.35</b> |
| <b>Total Proceeds Available to PAC Wagon</b>   | <b>798.61</b> |
| <b>PAC Wagon Coverage</b>                      | <b>1.16x</b>  |

- In Houlihan's valuation of the Phoenix Aviation Capital business today, they observed 21 comparable leasing company transactions.
  - Through this work Houlihan found that the mean multiple similar business sell for is 1.21x Net Book Value (equivalent to Total Shareholders Equity).
  - Leasing companies sell above their stated book value as aircraft in bulk are in very high demand.
- By applying this multiple to the Phoenix Aviation Capital current Net Book Value, Houlihan's valuation shows that after repaying debt holders and other liabilities, there are \$613m of proceeds available to pay preferred / common equity holders.

1. Reflects lease encumbered values from mba at a 5% discount rate for MSNs 61804, 61807, 62533, 61864, 44304, 44305, and 44308. Lease encumbered values for the remaining 4 MSNs apply the same 7.3% discount rate to the contractual lease cash flows and mba's forecasted base value at lease expiry.



# PAC – Value of Full Orderbook

| Boeing Orderbook Value |  |  |                          |                 |                      |
|------------------------|--|--|--------------------------|-----------------|----------------------|
| Year                   | Avg. Lease Encumbered Value <sup>1</sup> | Avg. Phoenix Aviation Capital Purchase Price | Avg. Equity per Aircraft | # of Deliveries | Total Equity Value   |
| 2025                   | \$60,715,714                             | \$52,956,475                                 | \$7,759,239              | 7               | \$54,314,672         |
| 2026                   | \$61,294,000                             | \$54,126,774                                 | \$7,167,226              | 15              | \$107,508,389        |
| 2027                   | \$63,855,000                             | \$55,804,315                                 | \$8,050,685              | 8               | \$64,405,484         |
| 2028                   | \$64,727,542                             | \$57,571,105                                 | \$7,156,437              | 10              | \$71,564,372         |
| 2029                   | \$66,022,093                             | \$59,300,671                                 | \$6,721,422              | 10              | \$67,214,219         |
| 2030                   | \$67,342,535                             | \$61,082,902                                 | \$6,259,633              | 10              | \$62,596,331         |
| <b>Total</b>           |  |  |                          | <b>60</b>       | <b>\$427,603,467</b> |

- The value of Phoenix Aviation Capital increases significantly once the full orderbook delivers. In the table above, a comparison to Phoenix's purchase prices versus an appraised lease encumbered value for the aircraft demonstrates that there is significant value in the orderbook.
  - Lease encumbered values demonstrate the appraised value for a newly delivered aircraft with a lease attached. Delivering aircraft with leases already attached is Phoenix's business model.
- The Total Equity Value column above illustrates the potential value to Phoenix if the business were to take delivery of each aircraft and immediately sell it into the market.

1. Performed by mba on each specific delivery occurring in 2025 – 2027. Lease encumbered values for deliveries occurring in 2028 – 2030 are escalated at an assumed 2% per annum.

# Outstanding Reinsurance Transactions



# Standard Business Practice Reinsurance Proposals

| BUSINESS                 | RESERVES             | REINSURER  | PROPOSAL          | STATUS                              |
|--------------------------|----------------------|------------|-------------------|-------------------------------------|
| <b>HMI:</b>              |                      |            |                   |                                     |
| Recaptured ACL MYGA      | 528,202,426          | Converge   | 5.0%              | Treaty Ready, Requested Approval    |
| Recaptured SSL MYGA      | 518,460,427          | Converge   | 5.0%              | Treaty Ready, Requested Approval    |
| <b>Total</b>             | <b>1,046,662,853</b> |            | <b>52,333,143</b> |                                     |
| <b>SSL:</b>              |                      |            |                   |                                     |
| Recaptured APP           | 659,875,257          | Knighthood | 1.0%              | Amendment Ready, Requested Approval |
| New APP                  | 298,933,759          | Knighthood | 1.5%              | Amendment Ready, Requested Approval |
| <b>Total</b>             | <b>958,809,016</b>   |            | <b>11,082,759</b> |                                     |
| <b>ACL:</b>              |                      |            |                   |                                     |
| Recaptured APP           | 603,347,757          | Aureum     | 1.0%              | Amendment Needed                    |
| New APP                  | 179,734,472          | Ludlow     | 3.0%              | Treaty Needed                       |
| Preneed Annual Extension | 51,566,729           | Converge   | 4.0%              | Amendment Ready                     |
| New 3YR MYGA             | 15,769,955           | Converge   | 1.8%              | Amendment Ready                     |
| New 5YR+ MYGA            | 5,700,469            | Converge   | 2.2%              | Amendment Ready                     |
| <b>Total</b>             | <b>856,119,382</b>   |            | <b>13,897,450</b> |                                     |
| <b>TOTAL</b>             | <b>2,861,591,251</b> |            | <b>77,313,352</b> |                                     |

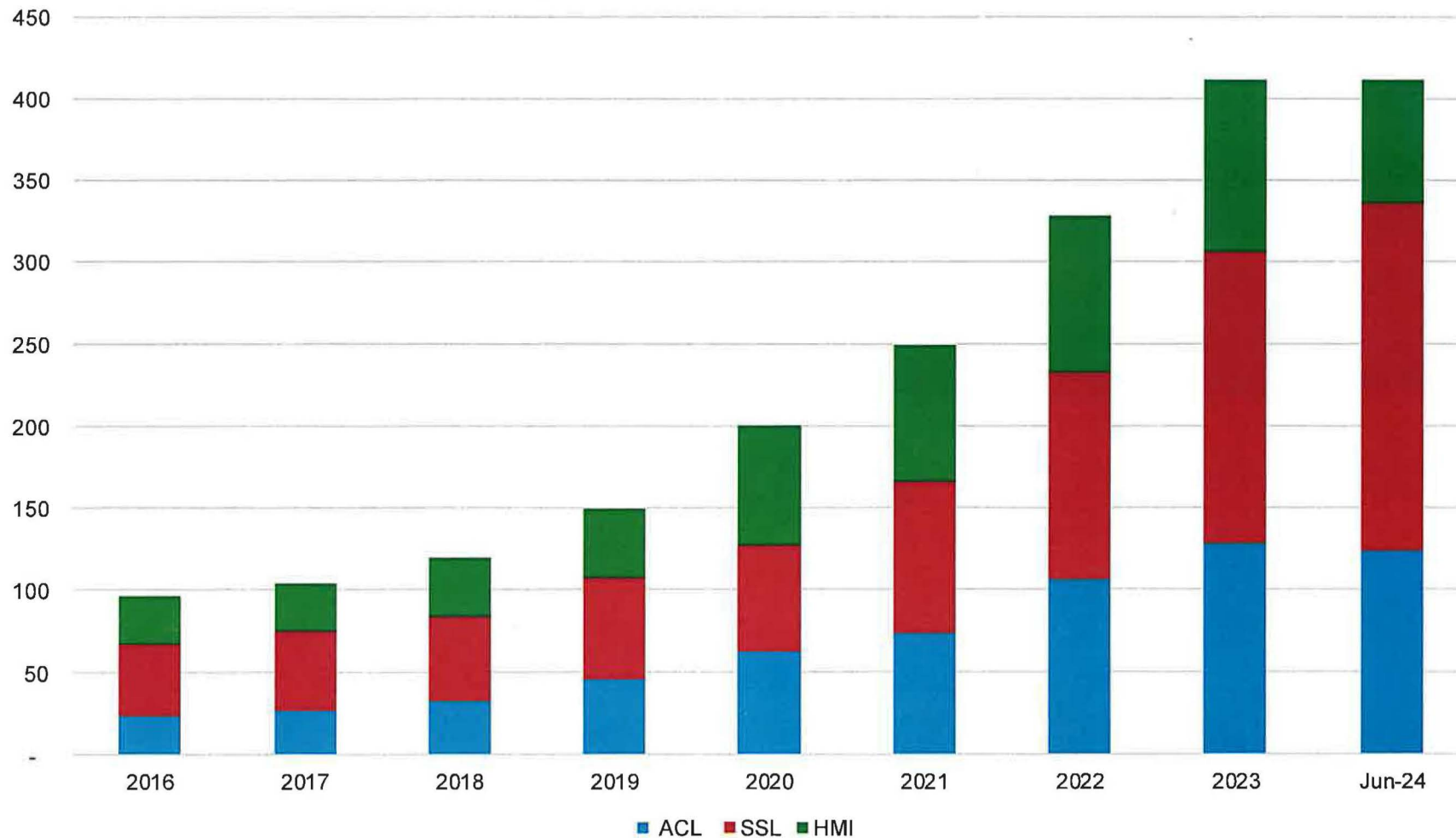
# Capital Forecasting

- Group RBC
- Total Adjusted Capital Growth



# ACL, SSL & HMI Total Adjusted Capital

**Total Adjusted Capital (\$M) 2016 - 2024**



# Group RBC



| (\$MM)     | Net Reserves | TAC   | Leverage Ratio* | RBC Ratio** |
|------------|--------------|-------|-----------------|-------------|
| 12/31/2020 | 410.7        | 79.5  | 5.2x            | 553%        |
| 12/31/2021 | 546.9        | 92.1  | 5.9x            | 497%        |
| 12/31/2022 | 610.9        | 127.5 | 4.8x            | 686%        |
| 12/31/2023 | 872.4        | 177.4 | 4.9x            | 639%        |

| (\$MM)     |  | Net Reserves | TAC   | Leverage Ratio* | RBC Ratio** |
|------------|--|--------------|-------|-----------------|-------------|
| 12/31/2020 |  | 356.9        | 63.0  | 5.7x            | 444%        |
| 12/31/2021 |  | 482.6        | 74.1  | 6.5x            | 450%        |
| 12/31/2022 |  | 517.9        | 106.2 | 4.9x            | 682%        |
| 12/31/2023 |  | 795.4        | 129.0 | 6.2x            | 629%        |

| (\$MM)     | Net Reserves | TAC   | Leverage Ratio* | RBC Ratio** |
|------------|--------------|-------|-----------------|-------------|
| 12/31/2020 | 1,322.2      | 74.4  | 17.8x           | 426%        |
| 12/31/2021 | 1,388.6      | 83.5  | 16.6x           | 382%        |
| 12/31/2022 | 1,520.5      | 96.4  | 15.8x           | 374%        |
| 12/31/2023 | 1,731.7      | 106.5 | 16.3x           | 360%        |

| (\$MM)     | Net Reserves | TAC   | Leverage Ratio* | RBC Ratio** |
|------------|--------------|-------|-----------------|-------------|
| 12/31/2020 | 2,089.9      | 194.3 | 10.8x           | 442%        |
| 12/31/2021 | 2,418.1      | 227.1 | 10.6x           | 410%        |
| 12/31/2022 | 2,649.3      | 307.5 | 8.6x            | 522%        |
| 12/31/2023 | 3,399.4      | 390.2 | 8.7x            | 509%        |

\*Leverage Ratio = Net Reserves / TAC

\*\*RBC Ratio based on Authorized Control Level



# Projected RBC for 2024

## Reinsurance Plan Assumed in End of Year 2024 RBC Ratios



**SSL:** 100% of 777Re on APP to Knighthead (Jazz)



**ACL:** \$150M of 777Re on APP to Aureum(SAR) + \$150M of MYGA & Life to Converge



**HMI:** \$500M of 777re MYGA's to Converge + \$120M XoL coverage with Kilter (\$95M after tax)

| Projected RBC Ratios (%) | 2022 | 2023 | 2024 |
|--------------------------|------|------|------|
| Sentinel Security Life   | 686% | 639% | 642% |
| Atlantic Coast Life      | 681% | 629% | 528% |
| Haymarket                | 374% | 360% | 465% |

### ***Stress Scenario: \$100M Asset Loss on 777 Assets:***

| Projected RBC Ratios (%) |  |  | 2024 |
|--------------------------|--|--|------|
| Sentinel Security Life   |  |  | 578% |
| Atlantic Coast Life      |  |  | 443% |
| Haymarket                |  |  | 381% |

***An Asset Loss of \$250M (pre-tax) would result in a consolidated RBC of 350%***

# Premium Reduction



# Product Benefit Reductions Since 3rd Quarter

- Pursuant to the Premium Reduction Plan, Sentinel and Atlantic Coast Life decreased rates across products to reduce competitiveness and premium volumes.
- Reductions were done strategically and methodically to ensure stability and protect policyholders; (ie not induce a “run on the bank” scenario).
- Sentinel and Atlantic Coast Life continued to decrease rates as the competitive environment changed.

## Recap of 2024 Rate Changes and Effective Dates

|                           |                    |   |
|---------------------------|--------------------|---|
| <b>August 16, 2024</b>    | <b>3 Yr. MYGA:</b> | Decreased rates from 5.90% to 5.60% (in most states)  |
| <b>August 26, 2024</b>    | <b>APP:</b>        | Reduced S&P 500 1 Yr PTP Cap from 10% to 9.25%; (11.5% w Rider)<br>Reduced the fixed rate from 4.75% to 4.25%   |
|                           | <b>RPM:</b>        | Reduced S&P 500 1 Yr PTP Cap from 11.50% to 9.00%; (11.5% w Rider)<br>Reduced the fixed rate from 5.0% to 4.25% |
|                           | <b>SBI:</b>        | Reduced the premium bonus from 15% to 12%   |
| <b>September 11, 2024</b> | <b>3 Yr. MYGA:</b> | Decreased rates from 5.60% to 4.95% (in most states)  |
|                           | <b>5 Yr. MYGA:</b> | Decreased rates from 5.75% to 5.05% (in most states)  |
| <b>October 16, 2024</b>   | <b>3 Yr. MYGA:</b> | Decreased rates from 4.95% to 4.80% (in most states)  |
|                           | <b>5 Yr. MYGA:</b> | Decreased rates from 5.05% to 4.95% (in most states)  |

# October FIA Reductions

- In October, Sentinel and Atlantic Coast Life decreased FIA product benefits well below 'A-' and 'B-' rated carrier rates.
- The rate reductions render the products uncompetitive and will reduce sales volumes by 90%.
- Messaging to distribution has been clearly communicated and well-coordinated to maintain stability and protect policyholders:

*As the year end approaches, we are pleased to report that our 2024 production targets have been met. Due to this achievement and the possibility of continued rate volatility, [Sentinel/Atlantic Coast Life] is making the following rate adjustments with plans to revisit rates after the first of the year. We believe that these changes are prudent given the current market conditions and will support conservative long-term asset management and product portfolio strategies.*

|                         |             |  |
|-------------------------|-------------|--|
| <b>October 30, 2024</b> | <b>APP:</b> | Reduce S&P 500 1 Yr. PTP Cap from 9.25% to 5.0% (5.95% w Rider)<br>Reduce the S&P 500 1 Yr. and 2 Yr. Participation rates:<br>1 YR: 26% wo rider; 38% w rate enhancement rider<br>2 YR: 43% wo rider; 58% w rate enhancement rider<br>Reduce the fixed rate from 4.25% to 3% (3.95% w Rider) |
|                         | <b>RPM:</b> | Reduce S&P 500 1 Yr. PTP Cap from 9.25% to 5.0% (5.95% w Rider)<br>Reduce the S&P 500 1 Yr. and 2 Yr. Participation rates:<br>1 YR: 28% wo rider; 38% w rate enhancement rider<br>2 YR: 38% wo rider; 53% w rate enhancement rider<br>Reduce the fixed rate from 4.25% to 3%                 |
|                         | <b>SBI:</b> | Reduce the premium bonus from 12% to 10%<br>Reduce the rollup rate from 7.25% to 6.0%  |



# Updated Premium Projection – GROSS SUBMITTED

Apart from the industry-wide “fire-sale” activity in August (in anticipation of a September Federal Reserve rate cut), sales volumes have continued to decrease following the implementation of the Premium Reduction Plan. *Please note: October rate changes were effective 10/30/24 and are reflected in November submitted premium.*

## SUBMITTED PREMIUM HISTORY & FORECAST BY PRODUCT - Updated with Actuals through Oct 24th, 2024

| Submitted Premium | SBI                | INA              | GIA               | RPM                | APP                | MYGA                 | Total                |
|-------------------|--------------------|------------------|-------------------|--------------------|--------------------|----------------------|----------------------|
| Jan               | 80,124,659         | 288,950          | 1,034,165         | 41,112,692         | 69,553,583         | 156,576,678          | 348,690,727          |
| Feb               | 88,965,723         | 185,095          | 980,028           | 55,858,121         | 80,496,346         | 142,264,167          | 368,749,480          |
| Mar               | 89,750,037         | 166,331          | 2,080,543         | 55,319,669         | 82,149,396         | 142,845,551          | 372,311,527          |
| April             | 71,685,954         | 12,722           | 2,211,116         | 62,272,831         | 85,702,426         | 136,787,135          | 358,672,184          |
| May               | 62,914,900         | 174,986          | 2,542,735         | 55,960,418         | 70,545,969         | 103,313,978          | 295,452,986          |
| June              | 40,787,767         | 500,000          | 245,000           | 44,614,252         | 43,239,089         | 78,992,515           | 208,378,624          |
| July              | 35,436,685         | -                | 1,319,384         | 41,388,865         | 49,472,047         | 77,067,960           | 204,684,940          |
| Aug               | 59,575,223         | 38,000           | 1,227,676         | 68,581,676         | 73,558,350         | 122,167,071          | 325,147,996          |
| Sept              | 26,768,734         | 200,000          | 1,562,657         | 35,307,978         | 46,744,182         | 62,449,505           | 173,033,056          |
| Actual            | 556,009,682        | 1,566,085        | 13,203,304        | 460,416,502        | 601,461,388        | 1,022,464,561        | 2,655,121,520        |
| Oct               | 31,978,460         | 350,125          | 548,679           | 40,350,813         | 62,190,876         | 18,577,457           | 153,996,411          |
| Nov               | 7,909,632          | -                | 241,071           | 7,084,081          | 13,498,536         | 1,716,487            | 30,449,808           |
| Dec               | 7,909,632          | -                | 241,071           | 7,084,081          | 13,498,536         | 1,716,487            | 30,449,808           |
| Total Projection  | 47,797,724         | 350,125          | 1,030,822         | 54,518,976         | 89,187,948         | 22,010,432           | 214,896,027          |
| <b>Total</b>      | <b>603,807,406</b> | <b>1,916,210</b> | <b>14,234,126</b> | <b>514,935,477</b> | <b>690,649,336</b> | <b>1,044,474,992</b> | <b>2,870,017,548</b> |
| Jan               | 7,909,632          | -                | 241,071           | 7,084,081          | 13,498,536         | 1,716,487            | 30,449,808           |
| Feb               | 7,909,632          | -                | 241,071           | 7,084,081          | 13,498,536         | 1,716,487            | 30,449,808           |
| Mar               | 7,909,632          | -                | 241,071           | 7,084,081          | 13,498,536         | 1,716,487            | 30,449,808           |



# Updated Premium Projection – NET RETAINED (SUBMITTED)

| Net Retained Premium | SBI               | INA            | GIA              | RPM               | APP               | MYGA               | Total              |
|----------------------|-------------------|----------------|------------------|-------------------|-------------------|--------------------|--------------------|
| Jan                  | 8,012,466         | 28,895         | 103,416          | 4,111,269         | 6,955,358         | 39,144,170         | 58,355,574         |
| Feb                  | 8,896,572         | 18,510         | 98,003           | 5,585,812         | 8,049,635         | 35,566,042         | 58,214,573         |
| Mar                  | 8,975,004         | 16,633         | 208,054          | 5,531,967         | 8,214,940         | 35,711,388         | 58,657,985         |
| April                | 7,168,595         | 1,272          | 221,112          | 6,227,283         | 8,570,243         | 34,196,784         | 56,385,289         |
| May                  | 6,291,490         | 17,499         | 254,274          | 5,596,042         | 7,054,597         | 25,828,494         | 45,042,395         |
| June                 | 4,078,777         | 50,000         | 24,500           | 4,461,425         | 4,323,909         | 19,748,129         | 32,686,740         |
| July                 | 3,543,668         | -              | 131,938          | 4,138,886         | 4,947,205         | 19,266,990         | 32,028,688         |
| Aug                  | 5,957,522         | 3,800          | 122,768          | 6,858,168         | 7,355,835         | 30,541,768         | 50,839,860         |
| Sept                 | 2,676,873         | 20,000         | 156,266          | 3,530,798         | 4,674,418         | 15,612,376         | 26,670,731         |
| Actual               | 55,600,968        | 156,608        | 1,320,330        | 46,041,650        | 60,146,139        | 255,616,140        | 418,881,836        |
| Oct                  | 3,197,846         | 35,013         | 54,868           | 4,035,081         | 6,219,088         | 4,644,364          | 18,186,260         |
| Nov                  | 790,963           | -              | 24,107           | 708,408           | 1,349,854         | 429,122            | 3,302,454          |
| Dec                  | 790,963           | -              | 24,107           | 708,408           | 1,349,854         | 429,122            | 3,302,454          |
| Total Projection     | 4,779,772         | 35,013         | 103,082          | 5,451,898         | 8,918,795         | 5,502,608          | 24,791,167         |
| <b>Total</b>         | <b>60,380,741</b> | <b>191,621</b> | <b>1,423,413</b> | <b>51,493,548</b> | <b>69,064,934</b> | <b>261,118,748</b> | <b>443,673,004</b> |
| Jan                  | 790,963           | -              | 24,107           | 708,408           | 1,349,854         | 429,122            | 3,302,454          |
| Feb                  | 790,963           | -              | 24,107           | 708,408           | 1,349,854         | 429,122            | 3,302,454          |
| Mar                  | 790,963           | -              | 24,107           | 708,408           | 1,349,854         | 429,122            | 3,302,454          |

## Disclosures

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**No Offer:** This document ("Presentation") is neither an offer to sell nor a solicitation of an offer to buy any security, and is provided solely to inform potential offerees preliminary information about Advantage Capital Holdings, LLC d/b/a "A-CAP" and its affiliates (collectively herein referred to as the, "Firm"). This Presentation is not intended to solicit an investment in any particular investment product, structured or otherwise.

**Confidentiality:** This Presentation contains confidential information that is intended solely for disclosure to the individual or firm to whom it is delivered. The circulation of this document or the disclosure of its contents to any other party is expressly prohibited. No copies are to be made without the prior written consent of the Firm.

**Investment Data:** The investment allocation data is as of the date presented and may change based upon individual client investment guidelines, liquidity needs, client imposed investment restrictions, credit quality requirements, collateral needs and related criteria.

**SEC Investment Adviser Affiliates:** Certain affiliates of the Firm and Advantage Capital Management LLC ("ACM") are SEC registered investment advisers and are affiliate entities.

**NAIC:** NAIC is an acronym for the National Association of Insurance Commissioners.

**NAIC 1 Rating:** NAIC 1 is assigned to obligations exhibiting the highest quality. Credit risk is at its lowest and the issuer's credit profile is stable. This means that interest, principal or both will be paid in accordance with the contractual agreement and that repayment of principal is well protected.

An NAIC 1 obligation should be eligible for the most favorable treatment provided under the NAIC Financial Conditions Framework.

**NAIC 2 Rating:** NAIC 2 is assigned to obligations of high quality. Credit risk is low but may increase in the intermediate future and the issuer's credit profile are reasonably stable. This means that for the present, the obligation's protective elements suggest a high likelihood that interest, principal or both will be paid in accordance with the contractual agreement, but there are suggestions that an adverse change in circumstances or economic, financial or business conditions will affect the degree of protection and lead to a weakened capacity to pay.

An NAIC 2 obligation should be eligible for relatively favorable treatment under the NAIC Financial Conditions Framework.

**Assets Under Management ("AUM"):** The figure represented for AUM represents total assets under management by the Firm.

**Total Adjusted Capital:** The figure represented for Total Adjusted Capital is the sum of Capital Stock, Surplus, Asset Valuation Reserve and Interest Maintenance Reserve.